

When a change in principal investigator from one institution to another occurs, novation of the grant is preferable to termination.

**§ 1260.74 Property use, disposition, and vesting of title.**

(a) Administrative grant officers shall not approve the expenditure of grant funds for the acquisition of general purpose equipment as defined by OMB Circulars A-21 and A-122 unless the recipient's justification for the equipment demonstrates that the equipment will be used exclusively for research.

(b) Property administration and plant clearance for all grants and cooperative agreements will be delegated to the appropriate DoD property administration office.

(c) Administrative grant officers will provide copies of property related grant documentation to the Center industrial property officer (prior to award or modification) when the program office elects to retain title to an existing item of Government property, to furnish the property to the recipient in lieu of donation or to take title to property acquired by the recipient. When NASA acquires title to items of recipient acquired equipment or when NASA transfers an item of Government property to a recipient as Federally owned property, the administrative grant officer shall notify both the cognizant NASA Center financial management officer and the equipment management officer to ensure proper entries in financial and property accounting records.

(d) NASA policy encourages titling as "exempt" all property acquired by a nonprofit organization whose primary purpose is the conduct of scientific research, without further obligation to the Federal Government. Unless NASA takes title, equipment purchased with grant funds vests in the recipient subject to § 1260.134.

(1) If NASA elects to take title to recipient acquired property, said decision will be subject to § 1260.132(b)(3).

(2) Title to individual items or coherent systems (as defined in § 1260.74(f)) of recipient acquired equipment purchased at a cost of more than \$5,000

may revert back to NASA at NASA's discretion, subject to the following conditions.

(i) NASA shall notify the recipient in writing as part of the approval for retaining the item. If the item was requested as part of the original budget, the award must specify NASA's intention to take title.

(ii) Government titled property will be subject to the provisions for other Federally owned property as stated in § 1260.133.

(3) Title to equipment costing \$5,000 or less is not subject to transfer to the agency, except under the conditions of § 1260.74(f).

(e) Title to Federally-owned property remains with the Government.

(1) In accordance with Pub. L. 94-519, NASA will not acquire property from other agencies for use on NASA grants.

(2) When Federally-owned property is reported excess by a recipient, the administrative grant officer will report the equipment to the Center property disposal officer.

(3) NASA policy encourages the donation of existing, excess NASA property to nonprofit organizations whose primary purpose is the conduct of scientific research.

(f) When two or more components are fabricated into a single coherent system in such a way that the components lose their separate identities, and their separation would render the system useless for its original purpose, the components will be considered as integral parts of a single system. If such a system includes recipient-owned components, the property will be considered to be exempt. The requirement for agreement regarding NASA's retention of its option to take title shall further apply where it is expected that one or more recipient-acquired components costing \$5,000 or less will be fabricated into a single coherent system costing in excess of \$5,000. However, an item that is used ancillary to a system, without loss of its separate identity and usefulness, will be considered as a separate item and not as an integral component of the system.